



DRIVING THE COMMERCIALIZATION OF INNOVATION IN BRITISH COLUMBIA

**FINANCIAL INFORMATION
ACT REPORT**

FOR THE YEAR ENDED MARCH 31, 2009

BRITISH
COLUMBIA
INNOVATION
COUNCIL



BRITISH COLUMBIA INNOVATION COUNCIL
STATEMENT OF DEBTS
For the year ended March 31, 2009

This organization has no debts under the Financial Information Act.

BRITISH COLUMBIA INNOVATION COUNCIL
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
For the year ended March 31, 2009

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

BRITISH COLULBIA INNOVATION COUNCIL
SCHEDULE OF REMUNERATION AND EXPENSES
For the year ended March 31, 2009

Name	Position	Remuneration	Expenses
Hallman, R	Director, Life Sciences	94,497	29,900
Harbel, S	Vice President, Innovation Development	158,310	36,707
Kishore, L	Director, Marketing & Communications	82,738	8,174
O'Reilly, M	Director, Creative Industries	77,696	6,506
Reeves, P	Chief Financial Officer	103,700	5,641
Rockwell, D	Chief Executive Officer	86,925	167,342
Waddell, R	Director, Programs	84,696	6,257
Wall, A	Director, Ocean Sciences & Energy	80,696	33,409
		769,258	293,936
Total other employees with remuneration of \$75,000 or less		784,901	108,938
Total employee remuneration		1,554,159	402,874

**BRITISH COLUMBIA INNOVATION COUNCIL
STATEMENT OF SEVERANCE AGREEMENTS
For the year ended March 31, 2009**

There was one severance agreement under which payment commenced between British Columbia Innovation Council and a non-unionized employee during fiscal year 2008/2009.

This agreement represents eight months of compensation. *

* "Compensation" means payment was determined based on individual's base salary.

BRITISH COLUMBIA INNOVATION COUNCIL
DISBURSEMENTS PER FINANCIAL STATEMENTS
For the year ended March 31, 2009

Communications & Recognition	\$	440,380
Operations		<u>4,788,005</u>
		<u>5,228,385</u>

Programs:

Commercialization		495,086
Contribution to NRAS Program		3,000,000
International Program		645,673
Science & Technology Fund		3,437,030
Sector Programs		569,051
Talent Development and Innovation		<u>5,869,702</u>
		<u>14,016,542</u>
		19,244,927
Less: Employees remuneration		(1,554,159)
Less: Programs		<u>(14,016,542)</u>
Total disbursed for goods & services	\$	<u>3,674,226</u>

BRITISH COLUMBIA INNOVATION COUNCIL
SCHEDULE OF SUPPLIERS
For the year ended March 31, 2009

11 th Hour Production Inc.	\$	33,265
Ascent Public Affairs		37,135
Asia Life Venture Consulting Inc.		25,725
BC Pension Corporation (Employer Portion)		118,297
BC Public Service Agency - Extended Health & Dental Claims		35,576
BC Public Service Agency - Long Term Disability Fund		26,922
BC Technology Industry Association		53,907
CO3 Consulting		29,036
Cowie & Fox		47,236
Davis LLP		80,469
Derbyshire, James		26,730
Electrigaz Technologies Inc.		29,810
Fairmont Hotel Vancouver		118,023
Government Strategies Inc.		54,857
Image Group Inc.		40,726
Karyo-Edelman		116,568
KPMG		51,348
Leading Edge Technology Centre (formerly Leading Edge British Columbia)		268,882
Maxim Group Staffing Inc.		38,556
Maximum West Destination Inc.		163,833
mQ Ventures Inc.		63,000
Pacific Newspaper Group		40,817
Receiver General for Canada (Employer Portion of EI and CPP)		73,093
Rogers Wireless Inc.		36,773
Seed Science Ltd.		80,000
Sethi Consulting		25,725
Technology Vision Group LLP		<u>35,385</u>
Total Suppliers > \$25,000		1,751,694
Suppliers <= \$25,000		<u>1,922,532</u>
Total All Suppliers	\$	<u><u>3,674,226</u></u>

BRITISH COLUMBIA INNOVATION COUNCIL
SCHEDULE OF PROGRAMS
For the year ended March 31, 2009

British Columbia Cancer Agency	\$	200,000
British Columbia Institute of Technology		200,000
BC Regional Science & Technology Network		156,033
Canadian Forest Service		90,000
Emily Carr Institute of Art and Design		100,000
Graduate Scholarship recipients from University of British Columbia		766,000
Innovation Resource Centre Council		257,320
Interior Science Innovation Council		195,000
Kootenay Association for Science & Technology		195,000
Kootenay Rockies Innovation Council		195,683
LifeSciences British Columbia		200,000
Mid-Island Science, Technology & Innovation Council		195,000
New Ventures BC Competition		445,086
Northern Development Initiative Trust		150,000
Northwest Science & Innovation Council		195,000
Okanagan Science & Technology Council		195,000
Sci-Tech North		195,000
Science Fair Foundation of British Columbia		410,095
Simon Fraser University		460,915
Southern Interior Development Initiative Trust		405,000
Thompson Rivers University		165,824
University of British Columbia		1,527,086
University of Northern British Columbia		183,602
University of Victoria		331,200
Vancouver ACM SIGGRAPH		77,500
Vancouver Foundation		5,945,500
Vancouver Island Advanced Technology Centre		195,000
Vancouver Island University (formerly Malaspina University College)		218,791
Wavefront Wireless Innovation Society of BC		100,000
WIN BC		<u>25,000</u>
Total Programs > \$25,000		13,975,635
Programs <= \$25,000		<u>40,907</u>
Total All Programs	\$	<u><u>14,016,542</u></u>

MANAGEMENT REPORT
FISCAL YEAR ENDED MARCH 31, 2009

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit and Finance Committee of the Board. The Audit and Finance Committee meets with management and the external auditors at least once a year.

The BC Innovation Council's external auditor, KPMG, has the responsibility for assessing the management systems and practices of the BC Innovation Council.

KPMG conducts an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the BC Innovation Council's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit and Finance Committee of the Board and meet with it on a regular basis.

On behalf of the BC Innovation Council



Dean Rockwell
Chief Executive Officer



Phil Reeves
Chief Financial Officer

Combined Financial Statements of

BRITISH COLUMBIA INNOVATION COUNCIL

Year ended March 31, 2009



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AUDITORS' REPORT TO THE DIRECTORS

We have audited the combined statement of financial position of British Columbia Innovation Council (the "Council") as at March 31, 2009 and the combined statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2009 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Burnaby, Canada

May 1, 2009

BRITISH COLUMBIA INNOVATION COUNCIL

Combined Statement of Financial Position

March 31, 2009 with comparative figures for 2008

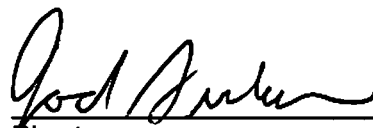
	2009	2008
		(restated - note 2)
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,912,301	\$ 21,289,525
Restricted cash and short term investments (notes 4 & 8)	53,031,420	54,272,764
Accounts receivable	95,934	93,906
Awards and contributions receivable	-	6,998
Prepaid expenses	25,104	7,232
	<u>67,064,759</u>	<u>75,670,425</u>
Long-term investments (note 5)	22	321,329
Capital assets (note 6)	204,109	144,513
	<u>\$ 67,268,890</u>	<u>\$ 76,136,267</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 371,260	\$ 1,614,055
Deferred program revenues (note 7)	6,679,604	7,621,203
	<u>7,050,864</u>	<u>9,235,258</u>
NRAS endowment liability (note 8)	53,031,420	54,272,764
Net assets:		
Invested in capital assets (note 6)	204,109	144,513
Unrestricted	6,982,497	12,483,732
	<u>7,186,606</u>	<u>12,628,425</u>
Commitments and contingencies (note 9)		
Contractual obligations (note 10)		
Employee future benefits (note 11)		
	<u>\$ 67,268,890</u>	<u>\$ 76,136,267</u>

See accompanying notes to the combined financial statements.

Approved on behalf of the Board:



Director



Director

BRITISH COLUMBIA INNOVATION COUNCIL

Combined Statement of Operations

Year ended March 31, 2009 with comparative figures for 2008

	2009	2008 (restated - note 2)
Revenue:		
Province of British Columbia	\$ 9,293,000	\$ 9,272,000
Program revenue (note 7)	948,334	1,057,374
Revenue from NRAS Endowment	3,000,000	-
Interest	414,363	749,789
Other income	344,945	777,666
Gain (loss) on equity investments (note 5)	(197,354)	423,052
	<u>13,803,288</u>	<u>12,279,881</u>
Expenses:		
Program expenses:		
Talent development and innovation (note 8)	5,869,702	2,060,959
Contribution to NRAS program (note 8)	3,000,000	-
Commercialization	495,086	200,000
Science and technology fund	3,437,030	2,731,807
Sector programs	569,051	396,415
International program	645,673	-
Communications and recognition	440,380	283,188
Amortization	63,939	40,443
Operations	4,724,066	3,134,566
	<u>19,244,927</u>	<u>8,847,378</u>
Excess (deficiency) of revenue over expenses	<u>\$ (5,441,639)</u>	<u>\$ 3,432,503</u>

See accompanying notes to the combined financial statements.

BRITISH COLUMBIA INNOVATION COUNCIL

Combined Statement of Changes in Net Assets

Year ended March 31, 2009

	Invested in capital assets (note 6)	Unrestricted	2009 Total	2008 Total
Balance, beginning of year:				
As previously reported	\$ 144,513	\$ 7,159,122	\$ 7,303,635	\$ 5,778,167
Adjustment to opening balance (note 2)	-	5,324,610	5,324,610	3,417,575
As restated	144,513	12,483,732	12,628,245	9,195,742
Excess (deficiency) of revenue over expenses	(63,939)	(5,377,700)	(5,441,639)	3,432,503
Invested in capital assets	123,535	(123,535)	-	-
Balance, end of year	\$ 204,109	\$ 6,982,497	\$ 7,186,606	\$ 12,628,245

See accompanying notes to the combined financial statements.

BRITISH COLUMBIA INNOVATION COUNCIL

Combined Statement of Cash Flows

Year ended March 31, 2009

	2009	2008
		(restated - note 2)
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (5,441,639)	\$ 3,432,503
Items not involving cash:		
Amortization of capital assets	63,939	40,443
Unrealized gain on long-term investments	-	321,035
Realized loss on disposal of long term investments	197,354	-
Changes in non-cash operating working capital:		
Accounts receivable and awards and contributions receivable	4,970	663,294
Prepaid expenses	(17,872)	11,558
Accounts payable and accrued liabilities	(1,242,795)	719,745
Deferred program revenues	(941,599)	(768,284)
	(7,377,642)	4,420,294
Investments:		
Net movement on short-term investments	22,908,323	(2,395,698)
Proceeds on sale of long-term investments	123,953	22,362,119
Purchase of capital assets	(123,535)	(104,954)
Increase (decrease) in Endowment Fund	(1,241,344)	2,214,138
	21,667,397	22,075,605
Increase in cash and cash equivalents	14,289,755	26,495,899
Cash and cash equivalents, beginning of year	52,653,966	26,158,067
Cash and cash equivalents, end of year	\$ 66,943,721	\$ 52,653,966

See accompanying notes to the combined financial statements.

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

1. Authority and purpose:

British Columbia Innovation Council (the "Council"), was established in 2006 by an amendment of the Innovation and Science Council Act to the British Columbia Innovation Council Act (the "Act").

The Council is governed by a Board of Directors, who are appointed by the provincial government of British Columbia (the "Province"). The Council is exempt from the payment of income taxes under section 149 of the Income Tax Act.

The combined statements reflect the operations of the Council and the British Columbia Advanced Systems Foundation ("BCASF").

Under Section 13 of the Act, directors, officers, and employees of the Council have certain immunities in the exercise of their duties carried out in their connection with the Council.

The Council's mandate is to support applied research and commercialization of science and technology to foster province-wide economic development.

2. Change in accounting:

During the year the Council changed from presenting its provincial government revenues as deferred revenues, which were amortized to revenue as used, to recording on the Statement of Operations in the year received. The amount received is unrestricted with no repayment clause of unspent amounts until the Council is wound up. This change was applied retroactively. The results of this change are that prior year excess of revenue over expenses was increased by \$1,907,035 and opening unrestricted net assets as at April 1, 2007 increased by \$3,417,575, with the elimination of the same amount of funds from deferred revenue.

3. Significant accounting policies:

(a) Basis of accounting and presentation:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(b) Cash and cash equivalents:

Cash and cash equivalents include highly liquid securities with original terms to maturity of three months or less when purchased and have been classified as held for trading.

(c) Short-term investments:

Short-term investments, which are recorded at the lower of amortized cost and market value, include investments with original terms to maturity of greater than three months and less than one year when purchased and are classified as held-to-maturity.

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

3. Significant accounting policies (continued):

(d) Long-term investments:

Long-term investments, which include investments with original terms to maturity of greater than one year when purchased, are classified as held for trading and are recorded at market value.

(e) Capital assets:

Capital assets are amortized over their estimated useful lives as shown in the schedule below:

Asset	Amortization
Furniture, fixtures and equipment	20% declining balance
Computer hardware and software	33-1/3% declining balance
Leasehold improvements	Lesser of the term of the lease and the useful life of the asset

Management has reviewed the carrying value of the capital assets and determined that there is no impairment.

(f) Revenue recognition:

The Council follows the deferral method of accounting for contributions. Unrestricted contributions are recorded as revenue when received if the amounts can be estimated and collection is reasonably assured. Government grants not restricted as to their use are recognized as revenue when receivable. Other unrestricted revenue, including sales of services and products, are reported as revenue at the time the services are provided or the products are delivered.

Investment income on net asset balances is recognized as revenue when it is earned.

Externally restricted non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year in which the related expense is incurred.

Investment income on deferred revenue balances is deferred and recognized as revenue in the year in which the related expense is incurred.

The Council provides office services to certain entities, the revenue from which is netted against the cost, with any margin reflected in other income.

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

3. Significant accounting policies (continued):

(g) Employee future benefits:

The Council accrues employee future vacation entitlements. The Council is a member of the Public Service multi-employer pension plan (note 11).

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The significant areas requiring the use of management estimates include the determination of useful lives of capital assets for amortization and accrued liabilities. Actual results may differ from these estimates.

(i) Adoption of accounting standards:

(i) Assessing going concern:

Effective April 1, 2008, the Council implemented CICA Handbook Section 1400, *General Standards of Financial Statement Presentation* which includes requirements for management to assess and disclose an entity's ability to continue as a going concern. Management has made its assessment and concluded there is no issue regarding the Council's ability to continue as a going concern, based on the assumption that the current revenue and funding levels are maintained and any committed additional future funding is received. If there are significant declines in revenues or funding, expenses will be adjusted to match committed funding.

(ii) Capital disclosures:

Effective April 1, 2008, the Council adopted CICA Handbook Section 1535, *Capital Disclosures*. Under this new standard, the Council is required to disclose both qualitative and quantitative information that enables users of the financial statements to evaluate the Council's objectives, policies, and processes for managing capital. It also includes disclosure regarding what the Council regards as capital, whether the Council has complied with any external requirements and in the event of non-compliance, the consequences of not complying with these capital requirements (note 12).

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

3. Significant accounting policies (continued):

(i) Adoption of accounting standards (continued):

(iii) Financial instruments disclosure and presentation:

In the prior year financial statements the Council disclosed that it would be adopting CICA Handbook Section 3862, *Financial Instruments - Disclosures* and Section 3863 *Financial Instruments – Presentation* for the year ended March 31, 2009. These standards revise the current standards on financial instruments disclosure and presentation and place an increased emphasis on disclosures regarding the risks associated with both recognized and unrecognized financial instruments and how these risks are managed.

(j) Future accounting pronouncements:

(i) Revisions to Not-for-Profit accounting standards:

In September 2008, the CICA issued amendments to Handbook Sections 4400, *Financial Statement Presentation by Not-for-Profit Organizations*, and 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. The amendments are effective for the Council's fiscal year commencing April 1, 2009 and remove the requirement to disclose net assets invested in capital assets, clarify capital asset recognition criteria and amortization, expand interim financial statement requirements to not-for-profit organizations that prepare interim financial statements, require disclosure of allocated fundraising and general support expenses by not-for-profit organizations, and include the requirement to follow Handbook Section 1540, *Cash Flow Statements*. The Council does not believe it will have a material impact on its financial statements.

(ii) Changes in accounting framework:

The CICA has decided to transition Canadian Generally Accepted Accounting Principles (GAAP) for publicly accountable entities to International Financial Reporting Standards (IFRS) effective January 1, 2011. The Council is currently classified as a not-for-profit organization. The Accounting Standards Board (AcSB) and Public Sector Accounting Board (PSAB) have jointly issued an Invitation to Comment to invite feedback on the future of financial reporting by not-for-profit organizations.

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

4. Short-term investments:

As at March 31, 2009, no short-term investments are outstanding. The carrying value and market value of short-term investments included in restricted cash and short term investments as at March 31, 2008 was \$22,908,323.

5. Long-term investments:

Long-term investments are share investments of previous BCASF program participant corporations received in exchange for all or a portion of loan or royalty interests. During the year the Council sold all publicly traded shares. As at March 31, 2009, the Council has assessed the shares held of private held corporations to have no market value. As such, these investments are recorded at a nominal value of \$1 each for each company shareholding. As at March 31, 2009 the market value of long-term investments was \$22 (2008 - \$321,329).

6. Capital assets:

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
Furniture, fixtures and equipment	\$ 116,799	\$ 62,752	\$ 54,047	\$ 44,728
Computer hardware and software	320,147	173,706	146,441	90,610
Leasehold improvements	27,770	24,149	3,621	9,175
	\$ 464,716	\$ 260,607	\$ 204,109	\$ 144,513

7. Deferred program revenues:

	2009	2008
Balance, beginning of year	\$ 7,621,203	\$ 8,389,487
Provincial contributions	-	50,000
Federal contributions	280,000	-
Other contributions	71,929	98,407
Investment income	82,478	140,683
Reduction in award commitments	31,399	-
Refunds	(459,071)	-
Less amounts amortized to program revenues	(948,334)	(1,057,374)
Balance, end of year	\$ 6,679,604	\$ 7,621,203

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

8. Natural Resources and Applied Science Research Endowment (“NRAS”):

In fiscal year 2005/2006, the Council was charged with stewarding \$50 million from the Ministry of Economic Development for the support of training, research and development in natural and applied sciences. As an endowment liability, it is expected that the capital and all interest earned will be preserved. As such, cash and cash equivalents of \$53,031,420 equal to the endowment liability are restricted.

Investment earnings of the endowment liability are credited directly to the endowment liability on the statement of financial position.

The endowment liability is calculated as follows:

	2009	2008
NRAS Endowment principal	\$ 50,000,000	\$ 50,000,000
Interest accumulated at beginning of year	4,272,764	2,058,626
Annual interest income	1,758,656	2,214,138
Program expenditures	(3,000,000)	-
Interest balance, end of year	3,031,420	4,272,764
Total balance principal plus interest	\$ 53,031,420	\$ 54,272,764

During the year ended March 31, 2009 the Council contributed \$5,945,500 to the Vancouver Foundation, into a fund to be known as the British Columbia Innovation Council Fund. Of this amount \$3,000,000 was contributed from the interest earnings on the NRAS Endowment and the remaining amounts from Council’s general revenues and is included in Talent development and innovation expense. The Council’s program directors provide input as to the disbursement decisions from this fund.

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

9. Commitments and contingencies:

- (a) The Council's offices are occupied under a long-term lease with varying terms to November 29, 2014. Minimum annual payments include the Council's estimated share of utilities and other costs of occupancy.
- (b) The Council is committed to lease a photocopier until November, 2011 at a quarterly rental of \$3,396.

Total lease payments for the next five years are as follows:

2010	\$ 244,357
2011	253,366
2012	265,951
2013	284,435
2014 and thereafter	503,474

10. Contractual obligations:

The Council has entered into a number of project grant contracts as at March 31, 2009 for the future funding of research projects to be completed subsequent to the year end.

These contractual obligations are funded in instalments and payments are due based on conditions included in the contract being satisfied. As such, no liability has been accrued in the financial statements as the Council is not liable until these conditions have been met.

The research project contractual obligations of the Council as at March 31, 2009 are \$2,243,644 (2008 - \$4,310,917).

11. Employee future benefits:

The Council and its employees contribute to the Public Service Pension Plan (the "Plan") in accordance with the *Public Sector Pension Plans Act* (the "Act"). The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. The Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the Plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2008) indicated a surplus of approximately \$487 million. The plan covers approximately 55,000 active employees. The next required valuation will be as of March 31, 2011 with results available in 2012.

Contributions to the Plan by the Council for fiscal 2009 were \$131,508 (2008 - \$108,618).

BRITISH COLUMBIA INNOVATION COUNCIL

Notes to the Combined Financial Statements

Year ended March 31, 2009

12. Capital management:

The Council receives its principal source of capital through funding received from government agencies. The Council defines capital to be net assets.

The Council's objective when managing capital is to fund its operations and capital asset additions. The Council manages the capital structure and makes adjustments based on the funding available and economic conditions. Currently, the Council's strategy is to monitor expenditures to preserve capital in accordance with budgeted funding.

The Council is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter. Non-compliance with external restrictions may result in reductions of future funding for designated purposes.

13. Financial instruments:

The Council's financial instruments, including cash and cash equivalents, accounts receivable, awards and contributions receivable and accounts payable and accrued liabilities approximate their fair value due to their immediate or short term to maturity. The fair market values of short-term and long-term investments are disclosed in notes 4 and 5, respectively.

14. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.